



General Assembly

January Session, 2015

Committee Bill No. 233

LCO No. 3615



Referred to Committee on INSURANCE AND REAL ESTATE

Introduced by:
(INS)

**AN ACT ADDING VOLUNTEER FIRE DEPARTMENTS AND
VOLUNTEER FIREFIGHTERS TO THE PARTNERSHIP PLAN.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 3-123aaa of the general statutes is repealed and
2 the following is substituted in lieu thereof (*Effective January 1, 2016*):

3 As used in this section and sections 3-123bbb to 3-123hhh, inclusive,
4 as amended by this act:

5 (1) "Health Care Cost Containment Committee" means the
6 committee established in accordance with the ratified agreement
7 between the state and the State Employees Bargaining Agent Coalition
8 pursuant to subsection (f) of section 5-278.

9 (2) "Nonprofit employee" means any employee of a nonprofit
10 employer.

11 (3) "Nonprofit employer" means (A) a nonprofit corporation,
12 organized under 26 USC 501, as amended from time to time, that (i)
13 has a purchase of service contract, as defined in section 4-70b, or (ii)
14 receives fifty per cent or more of its gross annual revenue from grants

15 or funding from the state, the federal government or a municipality or
16 any combination thereof, or (B) an organization that is tax exempt
17 pursuant to 26 USC 501(c)(5), as amended from time to time.

18 (4) "Nonstate public employee" means any employee or elected
19 officer of a nonstate public employer.

20 (5) "Nonstate public employer" means a municipality or other
21 political subdivision of the state, including a board of education, quasi-
22 public agency or public library. A municipality and a board of
23 education may be considered separate employers.

24 (6) "Partnership plan" means a health care benefit plan offered by
25 the Comptroller to nonstate public employers, [or] nonprofit
26 employers or volunteer fire departments under section 3-123bbb, as
27 amended by this act.

28 (7) "State employee plan" means a self-insured group health care
29 benefits plan established under subsection (m) of section 5-259.

30 (8) "Volunteer fire department" or "department" means a fire
31 company or department located in this state whose membership is
32 comprised of volunteer firefighters.

33 (9) "Volunteer firefighter" means an active member of a volunteer
34 fire department who is a volunteer and performs fire duties, as set
35 forth in section 7-314.

36 Sec. 2. Section 3-123bbb of the general statutes is repealed and the
37 following is substituted in lieu thereof (*Effective January 1, 2016*):

38 (a) (1) Notwithstanding the provisions of title 38a, the Comptroller
39 shall offer to nonstate public employers and nonprofit employers, and
40 their respective retirees, if applicable, and volunteer fire departments,
41 coverage under a partnership plan or plans. Such plan or plans may be
42 offered on a fully-insured or risk-pooled basis at the discretion of the
43 Comptroller. Any health insurer, health care center or other entity that

44 contracts with the Comptroller for the purposes of this section and any
45 fully-insured plan offered by the Comptroller under such contract
46 shall be subject to title 38a. Eligible employers and departments shall
47 submit an application to the Comptroller for coverage under any such
48 plan or plans.

49 (2) (A) Beginning January 1, 2012, the Comptroller shall offer
50 coverage under such plan or plans to nonstate public employers.

51 (B) Beginning January 1, 2013, the Comptroller shall offer coverage
52 under such plan or plans to nonprofit employers.

53 (C) Beginning January 1, 2016, the Comptroller shall offer coverage
54 under such plan or plans to the volunteer fire departments.

55 (b) (1) The Comptroller shall require nonstate public employers,
56 [and] nonprofit employers and volunteer fire departments that elect to
57 obtain coverage under a partnership plan to participate in such plan
58 for not less than two-year intervals. An employer or department may
59 apply for renewal prior to the expiration of each interval.

60 (2) The Comptroller shall develop procedures by which:

61 (A) Such employers and departments may apply to obtain coverage
62 under a partnership plan, including procedures for nonstate public
63 employers that are currently fully insured, [and] procedures for
64 nonstate public employers that are currently self-insured and
65 procedures for volunteer fire departments;

66 (B) Employers and departments receiving coverage for their
67 employees and volunteer firefighters pursuant to a partnership plan
68 may (i) apply for renewal, or (ii) withdraw from such coverage,
69 including, but not limited to, the terms and conditions under which
70 such employers and departments may withdraw prior to the
71 expiration of the interval and the procedure by which any premium
72 payments such employers or departments may be entitled to or
73 premium equivalent payments made in excess of incurred claims shall

74 be refunded to such employer or department. Any such procedures
75 shall provide that nonstate public employees covered by collective
76 bargaining shall withdraw from such coverage in accordance with
77 chapters 113 and 166; and

78 (C) The Comptroller may collect payments and fees for unreported
79 claims and expenses.

80 (c) (1) The initial open enrollment for nonstate public employers
81 shall be for coverage beginning July 1, 2012. Thereafter, open
82 enrollment for nonstate public employers shall be for coverage periods
83 beginning July first.

84 (2) The initial open enrollment for nonprofit employers shall be for
85 coverage beginning January 1, 2013. Thereafter, open enrollment for
86 nonprofit employers shall be for coverage periods beginning January
87 first and July first.

88 (3) The initial open enrollment for volunteer fire departments shall
89 be for coverage beginning January 1, 2016. Thereafter, open enrollment
90 for volunteer fire departments shall be for coverage periods beginning
91 July first.

92 (d) Nothing in this section or sections 3-123ccc, as amended by this
93 act, and 3-123ddd shall require the Comptroller to offer coverage to
94 every employer or department seeking coverage under sections 3-
95 123ccc, as amended by this act, and 3-123ddd from every partnership
96 plan offered by the Comptroller.

97 (e) The Comptroller shall create applications for coverage for the
98 purposes of sections 3-123ccc, as amended by this act, and 3-123ddd
99 and for renewal of a partnership plan. Such applications shall require
100 an employer or a department to disclose whether the employer or
101 department will offer any other health care benefits plan to the
102 employees or volunteer firefighters who are offered a partnership plan.

103 (f) (1) No employee shall be enrolled in a partnership plan if such

104 employee is covered through such employee's employer by health
105 insurance plans or insurance arrangements issued to or in accordance
106 with a trust established pursuant to collective bargaining subject to the
107 federal Labor Management Relations Act.

108 (2) No volunteer firefighter shall be enrolled in a partnership plan if
109 such firefighter is covered under a group health and accident and
110 hospital plan pursuant to section 7-464 or another health insurance
111 plan or policy.

112 (g) (1) The Comptroller shall take such actions as are necessary to
113 ensure that granting coverage to an employer or a volunteer fire
114 department under sections 3-123ccc, as amended by this act, and 3-
115 123ddd will not affect the status of the state employee plan as a
116 governmental plan under the Employee Retirement Income Security
117 Act of 1974, as amended from time to time. Such actions may include,
118 but are not limited to, cancelling coverage, with notice, to such
119 employer or department and discontinuing the acceptance of
120 applications for coverage from nonprofit employers and volunteer fire
121 departments. The Comptroller shall establish the form and time frame
122 for the notice of cancellation to be provided to such employer or
123 department.

124 (2) The Comptroller shall resume providing coverage for, or
125 accepting applications for coverage from, nonprofit employers and
126 volunteer fire departments if the Comptroller determines that granting
127 coverage to such employers and departments will not affect the state
128 employee plan's status as a governmental plan under the Employee
129 Retirement Income Security Act of 1974, as amended from time to
130 time.

131 (3) The Comptroller shall make a public announcement of the
132 Comptroller's decision to discontinue or resume coverage or the
133 acceptance of applications for coverage under a partnership plan or
134 plans.

135 (h) The Comptroller, in consultation with the Health Care Cost
136 Containment Committee, shall:

137 (1) Develop and implement patient-centered medical homes for the
138 state employee plan and partnership plans offered under this section,
139 in a manner that will reduce the costs of such plans; and

140 (2) Review claims data of the state employee plan and partnership
141 plans offered under this section, to target high-cost health care
142 providers and medical conditions and monitor costly trends.

143 Sec. 3. Section 3-123ccc of the general statutes is repealed and the
144 following is substituted in lieu thereof (*Effective January 1, 2016*):

145 (a) Nonstate public employers, [and] nonprofit employers and
146 volunteer fire departments may apply for coverage under a
147 partnership plan in accordance with this section.

148 (1) Notwithstanding any provision of the general statutes, initial
149 and continuing participation in a partnership plan by a nonstate public
150 employer shall be a permissive subject of collective bargaining and
151 shall be subject to binding interest arbitration only if the collective
152 bargaining agent and the employer mutually agree to bargain over
153 such participation.

154 (2) If a nonstate public employer or a nonprofit employer submits
155 an application for coverage for all of its respective employees or a
156 volunteer fire department submits an application for coverage for all of
157 its volunteer firefighters, the Comptroller shall accept such application
158 upon the terms and conditions applicable to the partnership plan, for
159 the next open enrollment. The Comptroller shall provide written
160 notification to such employer or department of such acceptance and
161 the date on which such coverage shall begin, pending acceptance by
162 such employer or department of the terms and conditions of such plan.

163 (3) (A) Except as specified in subparagraph (D) of this subdivision, if
164 a nonstate public employer or a nonprofit employer submits an

165 application for coverage for less than all of its respective employees or
166 a volunteer fire department submits an application for coverage for
167 less than all of its volunteer firefighters, or indicates in the application
168 the employer or department will offer other health plans to employees
169 or volunteer firefighters who are offered a partnership plan, the
170 Comptroller shall forward such application to a health care actuary not
171 later than five business days after receiving such application. Not later
172 than sixty days after receiving such application, such actuary shall
173 notify the Comptroller whether, as a result of the employees or
174 volunteer firefighters included in such application or other factors, the
175 application will shift a significant part of such employer's employees'
176 medical risks or a significant part of such department's volunteer
177 firefighters' medical risks to the partnership plan. Such actuary shall
178 provide, in writing, to the Comptroller the specific reasons for such
179 actuary's finding, including a summary of all information relied upon
180 in making such a finding.

181 (B) If the Comptroller determines that, based on such finding, the
182 application will shift a significant part of such employer's employees'
183 medical risks or a significant part of such department's volunteer
184 firefighters' medical risks to the partnership plan, the Comptroller
185 shall not provide coverage to such employer or department and shall
186 provide written notification and the specific reasons for such denial to
187 such employer or department and the Health Care Cost Containment
188 Committee.

189 (C) If the Comptroller determines that, based on such finding, the
190 application will not shift a significant part of such employer's
191 employees' medical risks or a significant part of such department's
192 volunteer firefighters' medical risks to the partnership plan, the
193 Comptroller shall accept such application for the next open enrollment.
194 The Comptroller shall provide written notification to such employer or
195 department of such acceptance and the date on which such coverage
196 shall begin, pending acceptance by such employer or department of
197 the terms and conditions of such plan.

198 (D) (i) If an employer included less than all of its employees in its
199 application for coverage because of ~~[(i)]~~ (I) the decision by individual
200 employees to decline coverage from their employer for themselves or
201 their dependents, or ~~[(ii)]~~ (II) the employer's decision not to offer
202 coverage to temporary, part-time or durational employees, the
203 Comptroller shall not forward such employer's application to a health
204 care actuary.

205 (ii) If a volunteer fire department included less than all of its
206 volunteer firefighters in its application for coverage because of the
207 decision by individual volunteer firefighters to decline coverage from
208 the department for themselves or their dependents, the Comptroller
209 shall not forward such department's application to a health care
210 actuary.

211 (b) The Comptroller shall consult with a health care actuary who
212 shall develop:

213 (1) Actuarial standards to assess the shift in medical risks of an
214 employer's employees or a volunteer fire department's volunteer
215 firefighters to a partnership plan. The Comptroller shall present such
216 standards to the Health Care Cost Containment Committee for its
217 review, evaluation and approval prior to the use of such standards;
218 and

219 (2) Actuarial standards to determine the administrative fees and
220 fluctuating reserves fees set forth in section 3-123eee, as amended by
221 this act, and the amount of premiums or premium equivalent
222 payments to cover anticipated claims and claim reserves. The
223 Comptroller shall present such standards to the Health Care Cost
224 Containment Committee for its review, evaluation and approval prior
225 to the use of such standards.

226 (c) The Comptroller may adopt regulations, in accordance with
227 chapter 54, to establish the procedures and criteria for any reviews or
228 evaluations performed by the Health Care Cost Containment

229 Committee pursuant to subsection (b) of this section or subsection (c)
230 of section 3-123ddd.

231 Sec. 4. Section 3-123eee of the general statutes is repealed and the
232 following is substituted in lieu thereof (*Effective January 1, 2016*):

233 (a) There is established an account to be known as the "partnership
234 plan premium account", which shall be a separate, nonlapsing account
235 within the General Fund. All premiums paid by employers and their
236 respective employees and retirees and volunteer fire departments and
237 their volunteer firefighters for coverage under a partnership plan
238 pursuant to sections 3-123bbb to 3-123ddd, inclusive, as amended by
239 this act, shall be deposited into said account. The account shall be
240 administered by the Comptroller for payment of claims and
241 administrative fees to entities providing coverage or services under
242 partnership plans.

243 (b) The Comptroller may charge each employer and department
244 participating in a partnership plan an administrative fee calculated on
245 a per member per month basis, in accordance with the actuarial
246 standards developed under subsection (b) of section 3-123ccc, as
247 amended by this act, and subsection (c) of section 3-123ddd. In
248 addition, the Comptroller may charge a fluctuating reserves fee the
249 Comptroller deems necessary and in accordance with the actuarial
250 standards developed under subsection (b) of section 3-123ccc, as
251 amended by this act, and subsection (c) of section 3-123ddd to ensure
252 adequate claims reserves.

253 (c) (1) Each employer shall pay monthly the amount determined by
254 the Comptroller, pursuant to this section, for coverage of its employees
255 or its employees and retirees, as appropriate, under a partnership plan.
256 An employer may require each covered employee to contribute a
257 portion of the cost of such employee's coverage under the plan, subject
258 to any collective bargaining obligation applicable to such employer.

259 (2) Each volunteer fire department shall pay monthly the amount

260 determined by the Comptroller, pursuant to this section, for coverage
261 of its volunteer firefighters under a partnership plan. A department
262 may require each covered volunteer firefighter to contribute a portion
263 of the cost of such firefighter's coverage under the plan.

264 (d) If any payment due by an employer or a department under this
265 section is not submitted to the Comptroller by the tenth day after the
266 date such payment is due, interest to be paid by such employer or
267 department shall be added, retroactive to the date such payment was
268 due, at the prevailing rate of interest as determined by the
269 Comptroller.

270 (1) The Comptroller may terminate participation in the partnership
271 plan by a nonprofit employer on the basis of nonpayment of premium
272 or premium equivalent, provided at least ten days' advance notice is
273 given to such employer, which may continue the coverage and avoid
274 the effect of the termination by remitting payment in full at any time
275 prior to the effective date of termination.

276 (2) (A) If a nonstate public employer fails to make premium
277 payments or premium equivalent payments as required by this
278 section, the Comptroller may direct the State Treasurer, or any other
279 officer of the state who is the custodian of any moneys made available
280 by grant, allocation or appropriation payable to such nonstate public
281 employer, to withhold the payment of such moneys until the amount
282 of the premium or premium equivalent or interest due has been paid
283 to the Comptroller, or until the State Treasurer or such custodial officer
284 determines that arrangements have been made, to the satisfaction of
285 the State Treasurer, for the payment of such premium or premium
286 equivalent and interest. Such moneys shall not be withheld if such
287 withholding will adversely affect the receipt of any federal grant or aid
288 in connection with such moneys.

289 (B) If no grant, allocation or appropriation is payable to such
290 nonstate public employer or is not withheld, pursuant to
291 subparagraph (A) of this subdivision, the Comptroller may terminate

292 participation in a partnership plan by a nonstate public employer on
293 the basis of nonpayment of premium or premium equivalent, provided
294 at least ten days' advance notice is given to such employer, which may
295 continue the coverage and avoid the effect of the termination by
296 remitting payment in full at any time prior to the effective date of
297 termination.

298 (3) The Comptroller may terminate participation in the partnership
299 plan by a volunteer fire department on the basis of nonpayment of
300 premium or premium equivalent, provided at least ten days' advance
301 notice is given to such department, which may continue the coverage
302 and avoid the effect of the termination by remitting payment in full at
303 any time prior to the effective date of termination.

304 ~~[(3)]~~ (4) The Comptroller may request the Attorney General to bring
305 an action in the superior court for the judicial district of Hartford to
306 recover any premium or premium equivalent, interest costs, paid claim
307 expenses or equitable relief from a terminated employer or
308 department.

309 Sec. 5. Section 3-123fff of the general statutes is repealed and the
310 following is substituted in lieu thereof (*Effective January 1, 2016*):

311 (a) There is established a Nonstate Public Health Care Advisory
312 Committee. The committee shall make advisory recommendations to
313 the Health Care Cost Containment Committee concerning health care
314 coverage for nonstate public employees. The advisory committee shall
315 consist of nonstate public employers and employees participating in a
316 partnership plan and shall include the following members appointed
317 by the Comptroller: (1) Three municipal employer representatives, one
318 of whom represents towns with populations of one hundred thousand
319 or more, one of whom represents towns with populations of at least
320 twenty thousand but under one hundred thousand, and one of whom
321 represents towns with populations under twenty thousand; (2) three
322 municipal employee representatives, one of whom represents
323 employees in towns with populations of one hundred thousand or

324 more, one of whom represents employees in towns with populations
 325 of at least twenty thousand but under one hundred thousand, and one
 326 of whom represents employees in towns with populations under
 327 twenty thousand; (3) three board of education employers, one of
 328 whom represents towns with populations of one hundred thousand or
 329 more, one of whom represents towns with populations of at least
 330 twenty thousand but under one hundred thousand, and one of whom
 331 represents towns with populations under twenty thousand; and (4)
 332 three board of education employee representatives, one of whom
 333 represents towns with populations of one hundred thousand or more,
 334 one of whom represents towns with populations of at least twenty
 335 thousand but under one hundred thousand, and one of whom
 336 represents towns with populations under twenty thousand.

337 (b) There is established a Nonprofit and Volunteer Fire Department
 338 Health Care Advisory Committee. The committee shall make advisory
 339 recommendations to the Health Care Cost Containment Committee
 340 concerning health care coverage for nonprofit employees and
 341 volunteer firefighters. The advisory committee shall consist of
 342 nonprofit employers and their respective employees and volunteer fire
 343 departments and their respective volunteer firefighters participating in
 344 a partnership plan and shall include the following members appointed
 345 by the Comptroller: (1) Three nonprofit employer representatives;
 346 [and] (2) three nonprofit employee representatives; (3) three volunteer
 347 fire department representatives; and (4) three volunteer firefighter
 348 representatives.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>January 1, 2016</i>	3-123aaa
Sec. 2	<i>January 1, 2016</i>	3-123bbb
Sec. 3	<i>January 1, 2016</i>	3-123ccc
Sec. 4	<i>January 1, 2016</i>	3-123eee
Sec. 5	<i>January 1, 2016</i>	3-123fff

Statement of Purpose:

To allow volunteer fire departments to apply to the partnership plan for health coverage for their volunteer firefighters.

[Proposed deletions are enclosed in brackets. Proposed additions are indicated by underline, except that when the entire text of a bill or resolution or a section of a bill or resolution is new, it is not underlined.]

Co-Sponsors: SEN. FLEXER, 29th Dist.; REP. ROSATI, 44th Dist.

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